

GENERAL FUND EXPENDITURES

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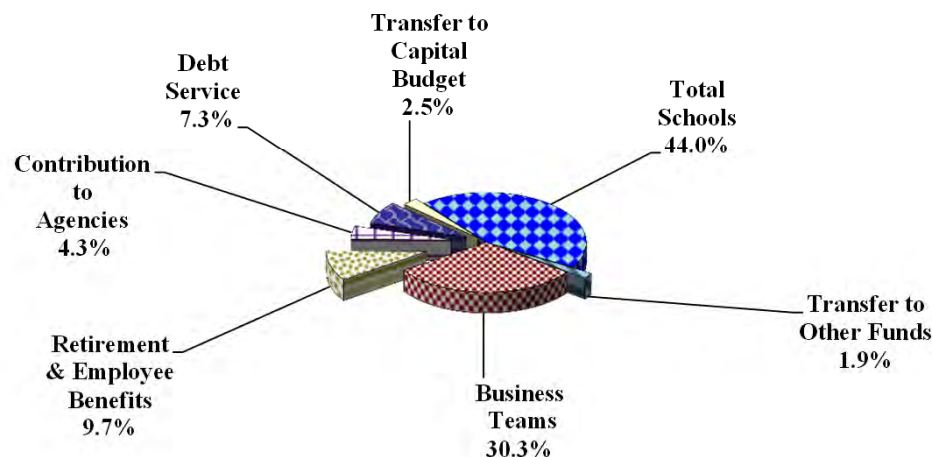
This section provides a brief summary of major expenditure categories including an explanation of the major changes in expenditures impacting this budget. In addition, a schedule that shows how the budget is distributed by salaries and operating expenses for both the City and Schools is included.

GENERAL FUND EXPENDITURE SUMMARY

Fiscal Years 2010 - 2013

	FY 10 Actual	FY 11 Budget	FY 12 Budget	FY 13 Budget	Increase/ (Decrease)	Percent Change
City Operations						
Business Teams						
Constitutional, Judicial & Electoral	\$14,920,857	\$14,321,121	\$14,863,992	\$14,887,452	\$23,460	0.16%
Economic Vitality & Neighborhoods	9,634,376	7,748,300	7,714,375	7,575,579	(138,796)	(1.80%)
Infrastructure	18,292,323	15,748,735	17,265,942	16,853,350	(412,592)	(2.39%)
Leisure Services	6,989,542	5,730,838	7,633,264	7,312,319	(320,945)	(4.20%)
Public Safety	40,767,842	40,981,096	41,428,675	41,503,722	75,047	0.18%
Quality Government	12,290,105	11,158,132	14,894,631	14,277,905	(616,726)	(4.14%)
Youth and Families	29,646,246	30,151,247	31,166,080	27,486,959	(3,679,121)	(13.38%)
Retirement and Employee Benefits	31,402,344	32,047,838	35,978,857	41,481,975	5,503,118	15.30%
Total Business Teams & Employee Benefit	163,943,635	157,887,307	170,945,816	171,379,261	433,445	0.25%
Contribution to Agencies	10,789,878	12,990,651	20,836,521	18,586,180	(2,250,341)	(10.80%)
Debt Service	27,196,999	30,993,329	32,553,672	31,313,910	(1,239,762)	(3.81%)
Transfer to Capital Budget	8,840,618	14,908,846	11,556,767	10,871,039	(685,728)	(5.93%)
Transfer to Other Funds	10,412,297	10,899,190	8,005,654	7,910,769	(94,885)	(1.19%)
Total City	\$221,183,427	\$227,679,323	\$243,898,430	\$240,061,159	(3,837,271)	(1.57%)
School Operations						
State Funds	126,923,349	117,002,557	116,020,364	121,207,149	5,186,785	4.47%
State Fiscal Stabilization Funds	7,732,611	-	0	0	0	0.00%
Federal Funds	307,519	2,235,862	1,320,516	1,800,000	479,484	36.31%
Miscellaneous Revenue	1,409,082	1,326,701	1,205,500	1,840,200	634,700	52.65%
Total State & Federal Funds	136,372,561	120,565,120	118,546,380	124,847,349	6,300,969	5.32%
Required Local Contribution according to State Law	30,566,903	26,559,580	26,336,623	27,514,023	1,177,400	4.47%
Local Contribution in Excess of State Requirements	37,484,804	40,491,896	40,008,470	36,512,585	(3,495,885)	(8.74%)
Total Local Contribution	68,051,707	67,051,476	66,345,093	64,026,608	(2,318,485)	(3.49%)
Total Schools	\$204,424,268	\$187,616,596	\$184,891,473	\$188,873,957	\$3,982,484	2.15%
Total Expenditures	\$425,607,695	\$415,295,919	\$428,789,903	\$428,935,116	145,213	0.03%

FY 2013 General Fund Expenditures



EXPLANATION OF EXPENDITURES

Increases/(Decreases) for Fiscal Year 2013

Additional Information is located in each department's detail budget notes.

Category	Increase/ (Decrease)	Explanation
Constitutional, Judicial Electoral	\$ 23,460	The overall increase is attributed to the additional funding required for the November 2012 Presidential Election. This increase is offset by the elimination of one full-time position and savings from a recent retirement.
Economic Vitality & Neighborhoods	(138,796)	The overall net decrease is mainly attributed to the reduction of two full-time positions within the Real Estate Assessor and Community Development departments. In addition, funds are being reduced for grass cutting services and various consultant fees. Also, included in the recommended budget is the reengineering of Land Development Services to improve customer service functions which will be partially supported with a new technology fee.
Infrastructure	(412,592)	The overall net decrease is attributable to the realignment of two full-time positions to the two Golf Courses, reduction of the mulching of school and city grounds and various transfers of allocable positions to Fleet Services and Stormwater Fund. Also included is the elimination of the window cleaning contract, elimination of some custodial services, and the centralization of utility cost from the Teen Center to Public Works - Facilities.
Leisure Services	(320,945)	The overall net decrease is attributable to a partial reduction in the arts grant contribution and a reduction of hours for the History Museum, Public Libraries and Community Centers.
Public Safety	75,047	The overall net increase is attributable to fixed cost offset by a reduction of one vacant position due to a retirement in Police and one full-time position in the Strategic Customer Service - 311 Call Center.

EXPLANATION OF EXPENDITURES

Increases/(Decreases) for Fiscal Year 2013

Additional Information is located in each department's detail budget notes.

Category	Increase/ (Decrease)	Explanation
Quality Government	(616,726)	The net decrease is attributable to the revision to revenues based on the latest assessment information for billing of Fort Monroe services. The cost of providing those services are offset by revenues. Also, included is a transfer of salary savings due to a recent retirement in the Citizens Unity Commission to be reallocated for contractual services, transfer of one position to the Stormwater Fund, and various operational service reductions in the Quality Government Business Team departments. In addition, funds are included for a new city-wide radio system.
Youth and Families	(3,679,121)	The majority of this decrease is attributable to a change in the payment processing from the locality to the State for the Department of Human Services' Child Care program. The administering of the program payments will be provided by the state; however, the delivery of services to Hampton's children will be transparent. In addition, programs savings are also attributed to Court Service Unit for Secure Detention Services based on additional outreach and GPS monitoring. Youth, Education and Family services - the elimination of two positions, transfer of funds to Hampton City Schools, operating reductions to Youth Civic Engagement and transfer of the Youth Advisory Board funding to Community Development.
Retirement and Employee Benefits	5,503,118	The increase in this category is attributable to the employer share of health insurance premiums, the VRS retirement benefit offset which is equivalent to a 6% salary increase which will make most employees whole (employees will contribute 5% for VRS premiums), the actuarially determined retirement benefit increase for both Virginia Retirement System (VRS) and Hampton Employees Retirement System (HERS) and an employee's performance bonus payment contingent upon performance ratings based on the eligible employee's merit review.

EXPLANATION OF EXPENDITURES

Increases/(Decreases) for Fiscal Year 2013

Additional Information is located in each department's detail budget notes.

Category	Increase/ (Decrease)	Explanation
Contributions to Outside Agencies	(2,250,341)	The major decrease is attributable to the reduction of one time funding totaling \$2.5M in FY12 for the Home Elevation Revolving Loan Program. This decrease is offset by minor increases for organizational support agencies.
Debt Service	(1,239,762)	The net decrease is due to scaled back borrowing for capital projects due to the fiscally constrained economic climate.
Transfer to Capital Budget	(685,728)	The net decrease is due to scaled back funding for capital projects due to the fiscally constrained economic climate. This decrease is offset by increased urban maintenance funds for street resurfacing projects.
Transfer to Other Funds	(94,885)	The net reduction is the result of a decrease in the transfer of funds for the Hampton Golf Course due to the completion of lease payments. This decrease is offset by an increase in higher revenue for meal taxes that are apportioned to the Convention Center Fund.
School Operations	(2,318,485)	The reduction in the local contribution to schools is the result of an agreed upon formula in which the schools will receive a pre-defined percentage of residential general property taxes and utility taxes. The anticipated loss of real estate tax revenues is the major driver causing the reduction in the formula.
Local Funds		
School Operations -		
State, Federal Funds and Miscellaneous Funds	6,300,969	The net increase is attributable to State Basic Aid, other State Funds, Lottery Funds, Federal and Miscellaneous offset by a slight decrease in Sales Tax revenue allocation.
Net Increase	\$ 145,213	

DISTRIBUTION OF BUDGETED FUNDS

Fiscal Years 2012 - 2013

<i>City Operations</i>	FY 12 Budget	FY 13 Budget	Increase / (Decrease)	Percent of FY13 City Budget
Personal Services	\$ 77,557,150	\$ 76,370,128	\$ (1,187,022)	
Employee Benefits	35,978,857	41,481,975	5,503,118	
Total Personal Services	113,536,007	117,852,103	4,316,096	49.1%
Operating and Capital Outlay	57,409,809	53,527,158	(3,882,651)	22.3%
Contributions to Outside Agencies	20,836,521	18,586,180	(2,250,341)	7.7%
Debt Service	32,553,672	31,313,910	(1,239,762)	13.0%
Transfer to Capital Budget	11,556,767	10,871,039	(685,728)	4.5%
Transfer to Other Funds	8,005,654	7,910,769	(94,885)	3.3%
Total City Budget	\$ 243,898,430	\$ 240,061,159	\$ (3,837,271)	100.0%

<i>School Operations</i>	FY 12 Budget	FY 13 Budget	Increase / (Decrease)	Percent of FY13 School Budget
Personal Services	115,246,402	115,028,986	(217,416)	
Employee Benefits	39,000,854	43,690,497	4,689,643	
Total Personal Services	154,247,256	158,719,483	4,472,227	84.0%
Operating and Capital	30,644,217	30,154,474	(489,743)	16.0%
Total School Budget	184,891,473	188,873,957	3,982,484	100%
Total Expenditures	\$ 428,789,903	\$ 428,935,116	\$145,213	

HOW \$1 DOLLAR IS SPENT

